BETH'S BARRICADES

June 30, 2009

U.S. Department of Transportation
1200 New Jersey Avenue, SE
West Building Ground Floor
Room W12-140
Washington, DC 20590-0001

RE: Office of the Secretary, DOT
Docket Number OST-2009

To Whom It May Concern:

My company, Beth's Barricades, became a certified DBE through the PaUCP program in 2006. I recently submitted my recertification packet to the Allegheny County PaUCP office and while completing the Recertification Application, I concluded that the program application is outdated. **Specifically, the Personal Net Worth Statement should be revised to exclude IRA/other retirement account as an Asset.**

By placing IRA or other retirement account under the Assets table, the Disadvantaged Business Enterprise Program is encouraging business owners to consider cashing out their retirement funds and using them as a potential crutch for their business. Why endorse funding a business this way when significant lack of retirement funds is a prevalent theme within America today?

According to the 2008 Retirement Confidence Survey (Employee Benefit Research Institute and Matthew Greenwald & Associates, Inc.):

- Twenty-five percent of women have neither retirement savings nor other savings, compared with 18 percent of men.
- 62% of Men and 63% of Women expect to work for pay in retirement. Women highlighted keeping company health insurance and wanting money to make ends meet as the main reasons.
- In recent years, savings outside of pensions has actually been negative. The lack of individual saving outside of pensions is confirmed by the 2004 *Survey of Consumer Finances*, which shows the typical household is approaching retirement with less than $30,000 of financial assets.

Within the past 25 years, the retirement landscape has dramatically changed. Due to escalating costs, the days of a company taking care of its employees via a defined benefit pension plan are gone. Today, employees are encouraged to contribute to their primary retirement vehicle, the company sponsored 401(k) plan, and pay a portion, if not all of their health care costs.

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In addition, the Federal Government retirement plans, Social Security and Medicare, face their own challenges. Social Security will provide less in the future than it does today because of increased retirement age from 65 to 67, and Medicare Part B premium will increase from 9.4% to 11.8% in 2030. Acknowledging the uncertainty of Social Security, Medicare and lack of individual retirement savings, President Obama has proposed an automatic workplace pension plan and mandatory enrollment in IRAs to strengthen retirement savings.

Consequently, the onus of funding retirement now falls solely on the individual's shoulders. If the retirement plan is consistently funded over a period of time, the employee can obtain his long-term goals.

If the Disadvantaged Business Enterprise Program would still like to include the IRA or other retirement account as an asset, a solution would be to include it as an asset **only if the individual is older than 59 ½ and has redeemed/converted his retirement account.** In this case, the amount listed under assets would be the redeemed amount less any taxes. If the individual is less than 59 ½, the IRA/other retirement account **should be excluded.**

In conclusion, I strongly encourage the Disadvantaged Business Enterprise Program to exclude IRA/other retirement account as an Asset on the Personal Net Worth Statement. Due to proposals supported by the Federal Government and President Obama and the disappearance of the traditional defined benefit pension plan, the individual has no choice but to control his own retirement destiny through contribution to any available retirement accounts.

Sincerely,

Elizabeth M. Nury
President
Beth's Barricades